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Development in the New Society

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by

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Development in the New Society

THE KBL RECORD is founded on the achievements of the Marcos Administration over these past eight years. The restoration of social order after the turmoil of the 1960s enabled the Republic to shed its international image as a violent and lawless country. The Army was able to crush the armed force of the Communist rebellion, and to contain a separatist movement in Mindanao and Sulu.

The economy, recovering from both natural and man-made calamities, has been setting unprecedented growth records. It has weathered several increases in the price of oil and two world recessions. Foreign currency reserves are at their peak; foreign investment is expanding. Tax collection has become so efficient as to enable public investment to rise from two percent to six percent of GNP.

Since 1972 development priority has turned toward the small towns and villages

where most Filipinos still live. Its object is to waken these once stagnant communities to what they can do and be, by themselves and with help from Government. Land reform alone has more than doubled rural incomes since 1973. Already the effect of these investments and reforms on Philippine poverty levels is beginning to show. Ordinary Filipinos are now better nourished and live longer. (A child born in 1979 may expect to live until he is 61: the average life expectancy in 1960 was only 49 years.)

Our country has *not* miraculously solved all its problems and banished all its ills. But the successive crises that Filipinos have overcome these past eight years have impressed on them, in the most exhilarating way, the sense of having command of their own destiny: of becoming—in President Marcos' words—"a people prepared to account for themselves."



President Marcos gets a warm welcome from an enthusiastic crowd in Manila.

May 9, 1983

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Political life

REFORMS in national politics have centered on replacing institutions borrowed from the West with ones more in keeping with Filipino traditions and historical experience. Basic among these are more than 21,000 citizens' assemblies called *barangay*. The new system is inspired by the *barangay*, or village council, the basic political unit of precolonial Malay society. The *barangay* is the unit of self-government in the New Society.

Composed of 100 to 500 families, the *barangay*—found in every village and municipal or city district—is empowered to decide on national and local issues. Through referendums, the *barangay* electorate of some 20 million people aged 15 and above, whether literate or not, is consulted on national questions by the country's leaders. In five referendums/plebiscites held since 1973, it has decisively supported the Government's political and social initiatives.

In the April 7, 1981, plebiscite, the electorate approved—by a 79-percent majority—the adoption of a semiparliamentary government. A strong President has been reinstalled, replacing the ceremonial executive (a concept lifted from Western parliamentary systems) of the 1973 Constitution. The Presidential election on June 16 restores the Filipino people's power to choose their leader directly.

Barangay representatives, plus youth and functional groups, make up the *sangguniang bayan*, or local assemblies, at municipal, city, provincial and regional levels. Above them, at the national level, is the *Batasang Pambansa*, or National Assembly.

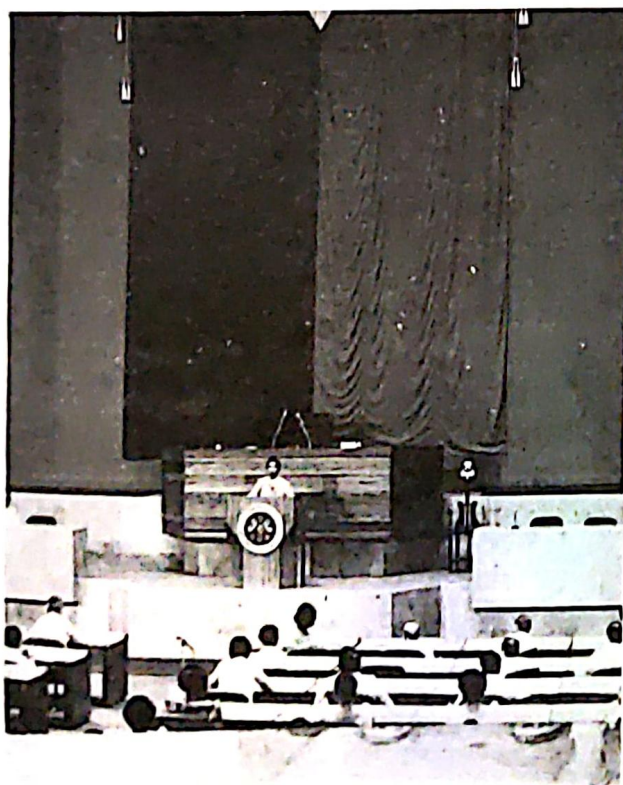
The old Congress, with its Senate and House of Representatives, has been replaced by a unicameral body, composed of popularly elected representatives from the country's 13 administrative regions, plus representatives from youth and functional groups. The interim *Batasang Pambansa* was convened on June 12, 1978, after nationwide elections.

The *Batasan* is headed by the Prime Minister, who is nominated by the President and elected by the assemblymen from among themselves. He is the bridge between the President and the *Batasan* on legislative matters. The Prime Minister will take over the burden of

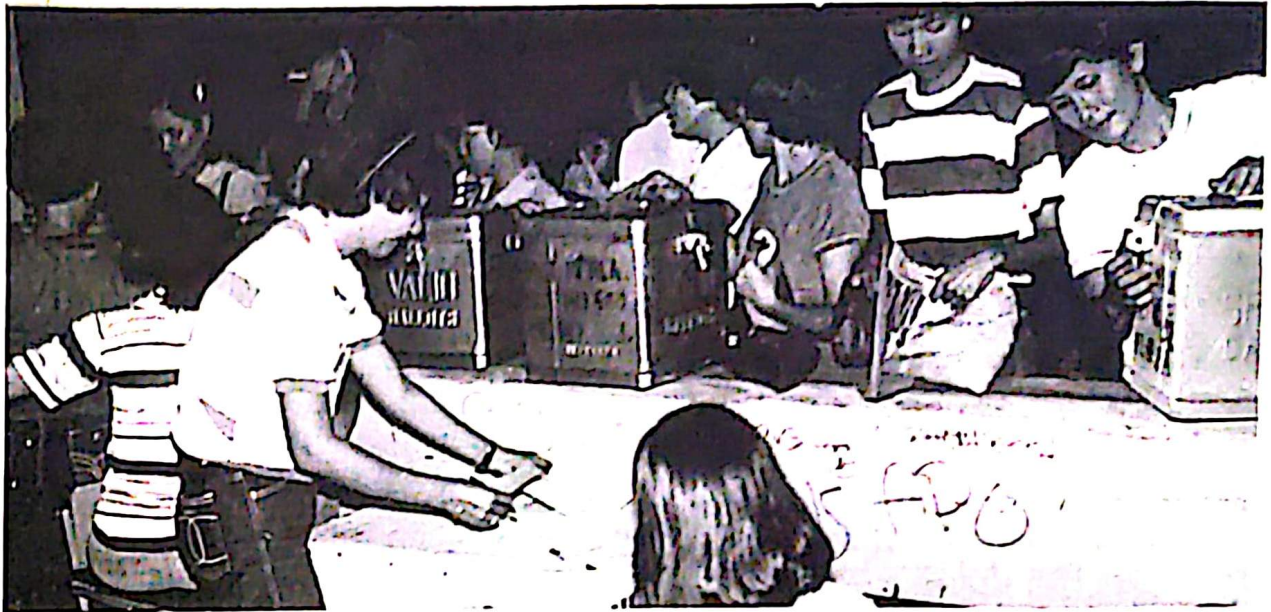
everyday administrative operations, leaving the President free to concentrate on the broad policies of Government. The Prime Minister is accountable to both the President and the *Batasan*. He continues in his position until the President decides to replace him, if he does not perform satisfactorily, and nominates his successor to the *Batasan*. Like most parliaments, the *Batasan* may remove the Prime Minister through a vote of no-confidence.

The transition to the semiparliamentary government has been eased with the creation of the Executive Committee and the provisional rotation of the post of Prime Minister (until the regular *Batasan* convenes in 1984 and elects its first regular Prime Minister). The Executive Committee, chaired by the Prime Minister, is a high-level training ground for potential national leaders. It is a unique concept not found in any other government in the world. Its members may come from the Cabinet, the *Batasan*, local governments or even the private sector.

The new government's precept is that the needs, interests and desires of the poor must be met before those of the rest. This shows in



President Marcos inaugurates the *Batasan*.



Voters wait to cast their votes during the April 7 plebiscite.

the way the national budget has been divided over the past eight years. More than 60 percent of Government expenditures has gone to economic development and the promotion of social services. The idea is to generate material progress while encouraging people to help themselves.

Many problems still confront the Government. The Muslim rebellion in parts of Mindanao and Sulu is being met with a combination of firmness and conciliation. There have been

sporadic attacks by Communist guerrillas in the Luzon hinterland, where radical rebels are trying to establish base areas. A great deal remains to be done toward alleviating social inequities and to assure that development does not merely aggravate already acute disparities in wealth, opportunity and levels of culture. A strong executive, a parliament unfettered by factionalism, and an involved citizenry are all equally needed to take part in political life, if these goals are to be achieved.

Social development

THE Marcos Government's primary goal is to improve the quality of Filipino life. Every effort has been exerted in this direction, centering on the small towns and villages where 65 percent of 48 million Filipinos live. In late 1972 all agencies of Government were mobilized toward this end. The Government's effort to ease mass poverty, equalize distribution of the nation's wealth and give farmers and workers greater justice has shown results. The country has not solved all its problems, but all measures are being exerted toward their solution.

Agriculture and land reform

The first big step in improving the life of the people came on October 2, 1972, when the President issued Decree 27 proclaiming land

reform. The program, which gave to the Filipino farmer the chance to own the land he tilled as a tenant, has been widely accepted as one of the best in the world. By the time martial law ended on January 17, 1981, certificates of land transfer had been issued to more than a million farm families. Rural incomes have more than doubled since the start of the program. Land reform has gone a long way to help farmers with credit, technology and marketing.

Masagana 99. Under this project, farmers were given loans in excess of P4 billion, which has enabled the country to become a net exporter of rice. The loan packages are supplemented by a technical-aid program, price-support schemes, plus storage and postharvest care of crops. Farmers' cooperatives have also been

set up, allowing the farmer economy in his production. In addition, the President holds regular dialogues with farmers on television and radio hookups. The President explains to them the latest development in government and listens to their grievances and acts on their problems. Farmers as a group are represented in the network of towns, provincial and national assemblies.

Rights for farm workers. Agricultural and industrial workers receive equal protection. The Labor Code and the Rural Workers' Offices of the Ministry of Labor and Employment give the rural workers special aid to raise their productivity and give them easy access to Government and development. Agricultural workers are also protected by the Bill of Rights of Agricultural Labor, an important part of the Code of Agrarian Reforms. The Bill recognizes basic rights of wage earners in the agricultural sector, giving them the economic and social rights enjoyed only by industrial workers. Before 1972 farm workers enjoyed no right on wages, working hours, medical benefits or even tenure.

Sacadas. The migratory rural workers come mostly from the Visayan provinces, hired out to the sugar plantations in the Western Visayan Island group during the harvest season. In June 1971, responding to appeals from President Marcos, sugar-industry leaders, spurred on by Government officials and Church leaders, drew up a Social Amelioration Program which would allow all workers in the sugar industry, including the migratory *sacadas*, to share in industry profits. The program started off as a voluntary contribution from sugar producers of one peso per picul (133-1/3 lb.) for the benefit of sugar workers. At that time the amount represented 1.5 percent of the gross income per bag of sugar. Of this amount, 90 centavos was given to the workers as direct bonus in June in time for the opening of schools and at Christmastime. The remaining ten centavos went to the Sugar Industry Foundation Inc. to finance social-development projects.

President Marcos institutionalized the Social Amelioration Program by making it compulsory for all sugar producers. He also



President Marcos signs the land-reform decree that ended the Filipino farmer's bondage to the soil.

levied an additional ten centavos per picul of sugar produced, to finance income-generating projects of organized unions.

The Ministry of Labor and Employment drew up stricter measures to protect *sacadas* against exploitation. Since 1971 the Social Amelioration Program has paid out P400 million in bonuses to sugar-industry workers. The program now covers 41 milling districts in 17 sugar-producing provinces, reaching 37,160 plantations that employ almost half a million workers. Its major goal is to help the children of sugar workers through school. It has helped 10,000 students, at a cost of over three million pesos in tuition fees alone.

Biyayang Dagat. The success of *Masagana 99* has spurred a fish-production program, *Biyayang Dagat* (also called the "Blue Revolution"). This is a nationwide fisheries credit program to increase fish production and to improve the lot of fishermen. The program was drawn up in 1979 by the Ministry of Natural Resources and its implementing agencies to allow the smallest fishermen to use loans through their rural bank. The program has an initial budget of P850 million for the first five years and seeks to serve about 600,000 of the estimated 2.2 million Filipinos who depend on fishing for a livelihood. Small-scale fishermen who contribute 60 percent of the country's fish production have first priority to the loans.

To enable the fishermen-borrowers to repay their loans from the fund, the Government provides effective marketing channels. Area marketing cooperatives, made up of fishermen's cooperatives, have been set up in fish-landing areas. These cooperatives buy the fishermen's catch at the prevailing market price. Where there are no organized marketing cooperatives, rural banks appoint brokers, who buy the catch of fishermen-borrowers also at the prevailing market price. In both cases, *Biyayang Dagat* borrowers have to sign a marketing agreement with the rural bank pledging to sell their catch to the marketing cooperatives or rural-bank brokers.

The Government has other plans for the fishing industry. These include research and extension work, stocking and development of fish estates, and processing and refrigeration plants and marketing facilities.

Health

The health program of the Government has been intensified, with special emphasis on the



Mrs. Marcos greets a once malnourished child.

people of the small towns and villages, as well as the poor districts of the cities. Investments in this area now total P1.4 billion (1979 figure) against P682 million in 1975.

The number of institutions attending to the people's health needs has increased significantly. The building of regional training centers and *barangay* health stations has been increased for training and retraining rural-health midwives and workers.

The Ministry of Health operates 407 hospitals with 39,129 hospital beds, 1,991 rural-health units, 4,555 *barangay* health stations, mobile hospitals and other health units. The number of hospitals grew by 69.1 percent during 1974-79. As a result, the new system of delivering health care now covers 70 percent of all Filipinos; in 1971 it reached 25 percent.

Population control. Programs to moderate the population growth have been successful. The growth rate, once one of the highest in the world, has been brought down from 3.2 percent to 2.3 percent. The crude deathrate declined considerably, notably in malnutrition-related deaths. In 1979 there were 222,954 x-ray examinations, 133,340 sputum examinations with 19,000 x-rayed positive and 13,644 acid-fast bacilli positive. More than 70 percent of the positive cases were treated.

Nutrition. This program, which reaches down to the village, was developed in less than three years after the Government became alarmed at the high rate of malnutrition among children. Malnutrition has been a serious problem in poor countries. The Philippine Nutrition Program, carried out in 1974, established the

base for a nationwide campaign and provided services, which have made gains in many areas. Under the program a manpower recruitment and deployment scheme trains workers to provide basic health and nutrition services in the villages. These workers, called *Barangay Nutrition Scholars*, now number 7,500 and work in areas covering 13 regions, 64 provinces, 48 cities, 930 towns and 6,861 *barangay*.

The program began with a systematic campaign to weigh Filipino children aged one to six, to test for variations from age-weight standards. Babies requiring intensive care were admitted to malnutrition wards (Malwards) set up in 160 hospitals. "Nutri-huts" staffed by paramedics supplemented areas with no hospitals. An imaginative supplementary-feeding program was developed, using indigenous foodstuffs like mung beans and powdered dried shrimp, packed by small factories run by the towns and villages themselves. The production of Nutri-pak, a food-supplement package for malnourished children, was promoted in 13 regions. Millions of Nutri-pak packets have been produced and distributed by 131 Nutri-pak plants all over the country.

A Nutri-bus has also been introduced. This carries self-contained TV tapes with nutrition information, and education television programs in Pilipino. The Nutri-bus is also equipped with supplies, from Nutri-paks to drug kits and seeds and seedlings of vegetables for distribution in the barrio. By October 1979 six Nutri-buses were in operation, reaching 507 *barangay* and serving 101,400 preschoolers, 72,713 grade-school children and 76,050 mothers. The Philippine Nutrition Program has been held up as a model for other poor countries.

Human settlements

In June 1978 President Marcos set up a Ministry of Human Settlements to take over and coordinate the efforts of agencies dealing with basic problems of development, mainly housing and livelihood. He appointed Mrs. Imelda R. Marcos to run the Ministry.

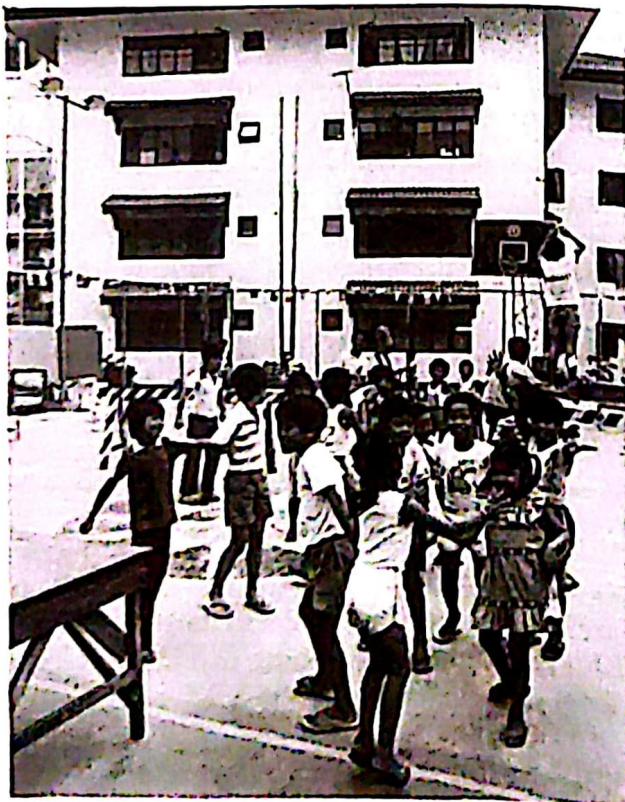
Mrs. Marcos brought into the program her own experience gained from working in Metropolitan Manila, which became one administrative unit of 4 large cities and 13 nearby towns. In 1975 she had come upon a dying metropolis and restored it to health. Rid of floods, garbage and traffic jams, Manila became once more a livable city. The only solution to the problem affecting cities and towns was to try

and "bring simultaneously to all Filipinos the 11 basic needs of a human settlement"—water, power, food, clothing, livelihood or productive employment, health care, education, culture and technology, ecological balance, sports and recreation, shelter and mobility.

Participants. The Ministries involved in the program are those of Local Government and Community Development, Public Works, Transportation and Communications, Education and Culture, Natural Resources, Agriculture, Public Highways, Energy, Health, Industry, Youth and Sports Development and the Budget. Two specialized agencies under the President's Office, the National Food Authority and the National Electrification Administration, are also involved.

Housing. A program called BLISS is meeting the need for housing. BLISS is the acronym for the *Bagong Lipunan* Improvement of Sites and Services program. It has chosen the poorest areas in each city or town, province or region to serve as models for introducing features of community living. These model communities are classified into three levels, varying in size and by the extent of the applicable program. The three levels are:

A Level-I BLISS program applies to a neighborhood group of 50 to 500 families (six persons to an average family) living in an area of at least 2.5 hectares. BLISS upgrades or completely renews the houses within this area, re-



Playground of a BLISS condominium in Makati.



Townhouses of Kapitbahayan, once Manila's largest slum colony.

laying them out to achieve a logical allocation of land for community facilities (like schools, health centers, chapels, meeting houses and sports grounds) as well as for home lots. Over the five years from 1979 to 1983, BLISS will develop 1,500 Level-I communities—one for each of the 1,464 towns and cities of the country.

By the end of 1979 the National Housing Program under the Multiyear Human Settlements Plan reported the completion of 7,616 Level-I units at a cost of P93.065 million.

Level-II communities are larger, of 100 to 500 families, living in an area of 50 to 200 hectares and having resources and potentials for agro-industrial development. A total 330 of these units worth P18 million were completed in 1979.

Level-III communities consist of 500 or more families, situated in a watershed area of at least 500 hectares.

BLISS will develop 77 Level-II communities, one for each of the country's 77 provinces, and 12 Level-III communities, one for each of its 12 administrative regions, over a period of five years. Overall the program will cost P4,500 million and directly benefit 80,000 Filipino families.

Slum improvement. More than its success in the building of new housing units, the Ministry of Human Settlements has achieved an impressive record in slum improvement through the upgrading of sites and services. Under this program, slum improvement is made, using several approaches including the

introduction of infrastructure, the resolution of land-tenure issues, the provision of basic facilities and services, the carrying out of effective measures for decongestion, the development of environmental hygiene and the establishment of income-generating projects.

In regional cities like Baguio, Cebu and Davao, the program is called Slum Improvement and Resettlement (SIR). In the cities of Cagayan de Oro, Cebu and Davao alone, SIR generated 829 lots for about 1,050 families out of 7,055 hectares of land. In the rural setting, the program is exemplified by the upgrading projects such as those at Triangulo Uno in Leyte, at Barrios Suba and Nanguyudan in Paoay, Ilocos Norte, and at Tadalac in Los Baños, Laguna.

Upgrading program. In Manila the program is called Zonal Improvement Program (ZIP), covering a total of 638 hectares where 236 slum areas have been identified.

In improving the slum areas, these programs follow, as closely as possible, the strict guidelines laid down by the Ministry: maximum retention of present structures and minimum displacement of families, maximum community participation, landownership and the development of physical and socioeconomic facilities.

The development of the Tondo foreshore is the first comprehensive ZIP project in Manila. Tondo is the Philippines' largest slum colony, packing 27,250 families in an area covering 137 hectares. The project is being

sive rural community with a school, a health unit, asphalt roads and basic needs. The people no longer fish for their livelihood alone; they now raise cows, hogs, poultry and frogs or work in cottage industries like mat-weaving. A windmill pumps potable water to each home, and electricity is brought to the area through a general services contract with the First Laguna Electric Company. An active community association has emerged which oversees the maintenance of public utilities and takes care of a home for the aged.

Livelihood. The benefits from development must remain in the communities where they come from. A livelihood program for all members of BLISS communities in the country has been launched in this direction. The Ministry's first step under this program was to encourage small- and medium-scale industries to locate or relocate in the countryside.

In providing employment, livelihood centers are expected to generate activities covering food production, commercial enterprises, marketing, distribution, financial and technical help, community mobilization, public-works projects and entrepreneurial education plans. The Ministry has persuaded some of Manila's largest corporations to act as "big brothers" to rural entrepreneurs. Fully 273 private companies—including the Ayala Corporation, Lepanto Mining and PCIBank—have agreed to lend managerial skill, technical and marketing help, and all-round support to countryside business.

How the BLISS idea of livelihood translates on the ground is seen through projects already completed—among them at Tolosa in Leyte, at Paoay and Pagudpud towns in Ilocos Norte—and several successful pilot projects in the Southern Philippines.

In Tolosa, Government agents teach residents new skills like carpentry and fishing. They have also started off some small businesses on capital loans at two-percent interest. Starter stock (one hog and five chickens) have been given to some households. Capital loans and starter stock that are returned go to other Tolosa families, on the same terms. These modest occupations are meant to increase average monthly incomes to about P224 a month, or more as their operations grow bigger.

At the village of Suba in Paoay, crash programs in carpentry, masonry, plumbing and electricity resulted in jobs in nearby Laoag City for those of Suba's men who were underemployed at home. At the village of Subec in Pagudpud, the people are being taught modern

farm-management systems.

In Mindanao the Southern Philippines Development Administration (SPDA) is developing family-sized cages and fishponds for distribution to low-income families, mainly former members of the Moro National Liberation Front. Some 4,500 families have benefited from this project. Families operating the cages make an annual net income of P10,000 up to P12,000, and even more for those operating prawn and milkfish ponds. An agreement reached by the SPDA with the Cotabato Cassava Corporation has given corn and cassava farmers in the area a ready market for their produce.

Generating more jobs. In cooperation with the Ministry of Human Settlements, the Ministry of Labor and Employment (MOLE) has embarked on a program of lateral technology transfer between regions. Instead of relying on foreign technical advisers, MOLE will seek the help of Filipino experts to increase the productivity of rural entrepreneurs and generate more jobs. MOLE has also identified communities with unique production technologies that can easily be transferred to other communities in the country with similar conditions. Demonstration plants, intercommunity visits and on-the-job apprenticeship will be emphasized under the MOLE program of technology transfer.



Small industries augment income of BLISS residents.

undertaken with help from the World Bank. In 1979 President Marcos awarded 300 lot-titles to beneficiary families living in the project site.

Two other major slum-improvement projects are going on in Metro Manila. These are the Bagong Barrio Project in Caloocan City and the Tatalon Estate Project in Quezon City. Such projects would build physical and social facilities like roads, buildings and small industries.

Families displaced from slum areas are relocated to prepared resettlement sites that are fairly close to the urban centers and linked by a transport network. Four such projects are under way around Metro Manila: the Sapang Palay Resettlement Project, the Dasmariñas Bagong Bayan, the Carmona-San Pedro Resettlement Project, and the Dagat-Dagatan Development Project.

The largest of these is the Carmona-San Pedro Resettlement Project, covering 461 hectares south of Metro Manila. Its population is estimated at 62,000.

Model community. Barrio Madera Imelda in Tadalac, Laguna, is a Level-I model community. Located on a curve of Laguna Lake shore, this BLISS settlement consists of 77 charming cottages standing on stilts and connected by catwalks. The cottages are made mostly of

treated coconut lumber—called *Madera Imelda*—designed to suit the needs of fishing families. Every home has a large all-purpose room, and the stilts protect it from high tide. The community has a wharf for fishing boats and a fish market.

Tadalac used to be a dormant barrio. Very little vegetation grew on the foreshore, and the barrio folk were content with their meager earnings from fishing, duck-raising and carpentry. Most houses were single-room shacks built of nipa, bamboo and old galvanized-iron sheets. When the rains came, houses close to the lake had to be carried to the roadside. People relied on kerosene lamps for lighting. They got their drinking water from privately owned open artesian wells or bought it for P1.50 per five-gallon plastic container.

The people of Tadalac were introduced to BLISS through a housing project. With some support from the Government, the residents were able to extend part of their income from fishing into a housing investment. By setting aside one-half kilo of fish a day, they were able to meet their housing obligations of P120 a month. A restaurant was set up in the project area to buy the daily catch. In 15 years under this Fish-a-Day Amortization Plan, the Tadalac folk would be the owners of their houses.

Today Barrio Madera Imelda is a progres-



Charming cottages-on-stilts of Barrio Madera Imelda in Tadalac, Laguna.

sive rural community with a school, a health unit, asphalt roads and basic needs. The people no longer fish for their livelihood alone; they now raise cows, hogs, poultry and frogs or work in cottage industries like mat-weaving. A windmill pumps potable water to each home, and electricity is brought to the area through a general services contract with the First Laguna Electric Company. An active community association has emerged which oversees the maintenance of public utilities and takes care of a home for the aged.

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Small industries augment income of BLISS residents.

Ten regional manpower training centers have also been set up to provide a varied program of vocational and technical training, especially to out-of-school youths. Three technical institutes will provide advance training to technicians and vocational-technical teachers.

Training centers for extension workers and for farm leaders are being set up in the countryside. On returning to their localities, farmer trainees will be helped to start their own demonstration farms. About 45,000 farmers will have been trained at the end of the five-year implementation period.

Labor

A remarkable growth in the purchasing power of industrial workers was recorded over the past eight years. Minimum-wage legislation—decrees providing for emergency cost-of-living allowances, thirteenth-month pay, ten paid legal holidays, and direct minimum-wage increases—has helped soften the impact of inflation. These increases in salaries and wages are even more significant because they were achieved through a three-party consensus among the representatives of workers, employers and the Government.

Over the last ten years the Government has pursued its constitutional commitment to "protect labor, promote full employment . . . and regulate the relation between workers and employers."

A number of legislation and enabling issuances have become part of the law of the land, significantly improving wages and working conditions. Among these laws are the Labor Code of the Philippines, the Social Security Law, the Medicare Act and various wage and wage-related decrees.

Basic reforms. The Labor Code introduced basic reforms that reoriented labor laws toward promoting development, employment, labor standards and industrial peace. Among others, it removed the built-in leverages for graft that enabled unscrupulous and fly-by-night labor leaders to operate; did away with the permit system and some archaic and unworkable provisions of law that prevented effective enforcement.

The Labor Code also created the National Labor Relations Commission, the Overseas Employment Development Board and the National Seamen Board.

Workmen's compensation became a social-security scheme integrated into the Social Security System for the private sector and the

Government Service Insurance System for the public sector. This significantly shortened the processing time for death or disability payments that are work-related and assured the worker and his family immediate relief. Similarly, maternity benefits were integrated into social security.

The Code also provided for restructuring the labor movement so that intra- and inter-union disputes may be minimized. This served to strengthen trade unions that they may better negotiate and bargain with employers.

The Social Security Law and the Medicare Act protect employees against the hazards of disability, sickness, old age and death. The most tangible proof of the Administration's continuing concern for the welfare of workers is the periodic legislation of wage and wage benefits to enable workers to cope with inflation.

Industrial workers' wages. The first minimum-wage law in the Philippines was passed in 1951. But it was *not* revised until 1965, or 14 years after. From P4 in 1951 to P6 in 1965, the minimum wage became P8 in 1970. Since 1974, however, eight Presidential decrees have been issued, prescribing increases in the minimum wage or providing allowances for workers in agriculture and industry.

An analysis of Philippine wage trends indicates that from P8 in 1970, the basic minimum wage has moved up to the present P18, or an increase of 225 percent for industrial workers in Metro Manila. These workers also receive P270 in monthly allowances in addition to a thirteenth-month pay usually paid out in June or December.

Agricultural workers have moved from a basic minimum wage of P4.75 in 1970 to P15 in 1981, or an increase of 315 percent. Allowances for plantation workers come up to P220, while nonplantation workers receive P185. Where applicable, they also receive thirteenth-month pay.

In sum, industrial workers in Metro Manila receive between P28.46 and P29.85 in effective daily minimum wage, while their counterparts outside Metro Manila receive between P27.37 and P28.46. Plantation workers have an effective minimum wage of P23.32 to P24.70 daily, while nonplantation workers effectively get from P17.28 to P18.67.

Even allowing for inflation, the present real wages of Filipino workers remain significantly higher than those of P8 (for industrial workers) and P4.74 (for agricultural workers) in 1972.

Other sectors. Institutional programs have been developed to improve both incomes and opportunities for specific sectors.

Agricultural workers, particularly in the sugar industry, have benefited from a Social Amelioration Program which runs on the concept of income distribution and profit-sharing. For every picul (133-1/3 lb.) of sugar sold, a certain amount is levied to be paid out as cash bonus directly to workers to be used as seed money for socioeconomic projects for workers. In 1980 more than P27 million was distributed to 458,000 sugar workers. Among the projects that have been financed by the program are a garment-making training center and a housing project both in Victoria, Negros Occidental.

The Ministry of Labor and Employment also undertakes an assistance program for overseas workers, whose numbers have grown considerably in the last five years. Over 500,000 Filipino contract workers now work in 107 countries, 25 percent of this total being stationed in the Middle East countries. An overseas welfare fund has been established to help ease the plight of overseas workers.

The Government has also encouraged workers' participation in a nationwide program called *Pag-I.B.I.G.* ("Love"), which allows employees housing loans of up to P160,000

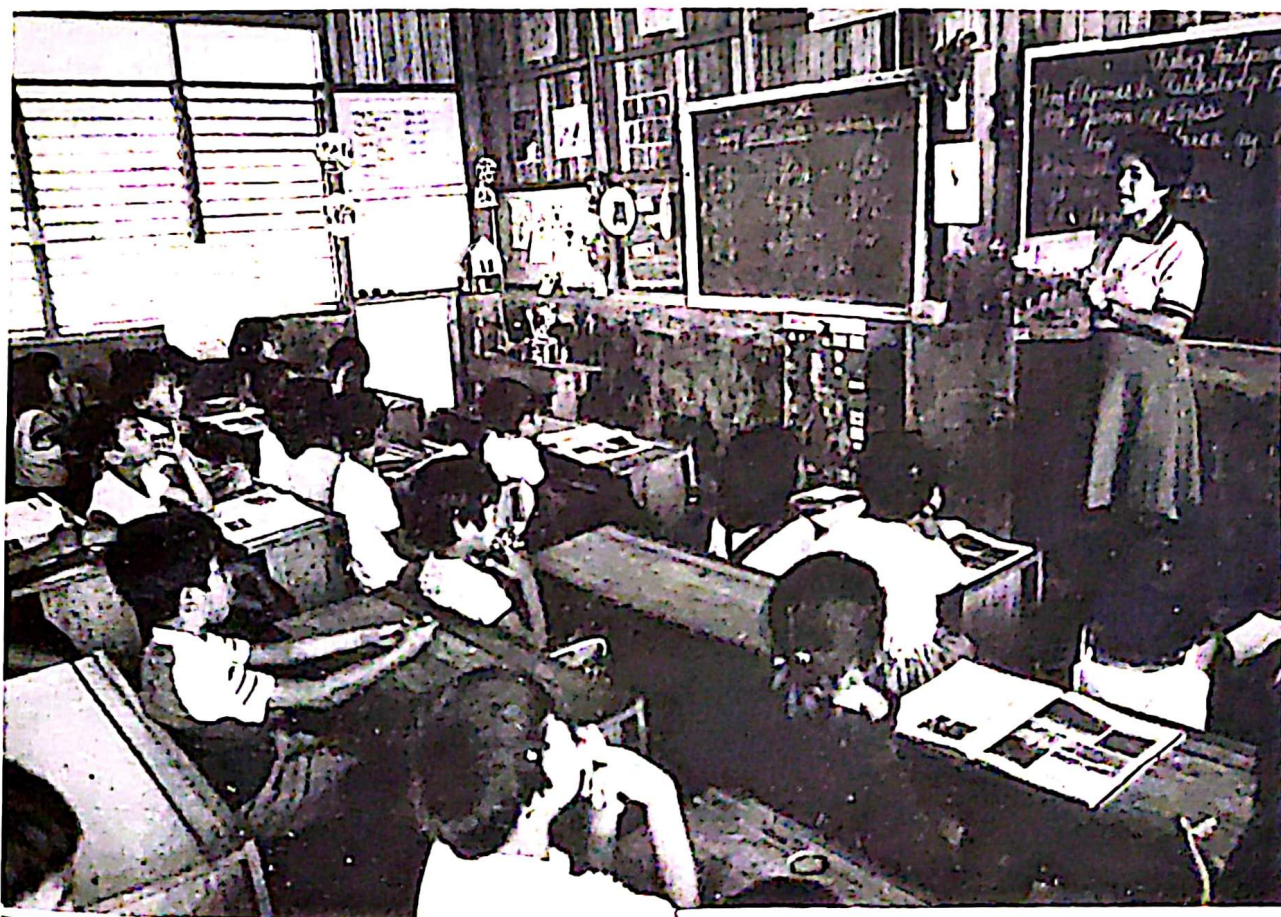
through a joint-contribution scheme between workers and employers.

Other agencies have programs for self-employment among those who are marginally employed or openly unemployed; skills development programs for those who seek entrance to the labor market; and aid to small- and medium-scale entrepreneurs who wish to start employment-generating ventures.

Education

A re-evaluation of Philippine education was carried out during the critical years between 1969 and 1972, when Filipino students were caught in the worldwide tide of youthful activism. Demonstrations in Manila drew attention to the need to blend education with social realities. Significantly, the Education Decree was among the first to be issued after martial law in 1972. Under the new plan devised by the Ministry of Education and Culture, schools teach not only the basic subjects and social values but also the skills needed for employment and community development.

Community development. Under this curriculum, grade-school pupils and high-school students spend almost half of classtime in community projects. In the countryside, they work the fields during planting and harvest



Democratization made education available to all Filipinos.

seasons. The students participate in Youth Civic Action projects through the *Kabataang Barangay*, and are involved in socioeconomic campaigns such as the *Green Revolution* and reforestation as well as health and physical-fitness movements like *nutrition* and *competitive sports*. In the classrooms family planning, drug education, consumer education, thrift and savings are taught with academic subjects.

To help meet the manpower needs of technology, the Government has set up over 1,000 more barrio schools. All students in these schools get subsidy from the Government and gain automatic entry as on-the-spot job trainees into industries and factories in their community or region. To upgrade manpower-skills training for agriculture, the Government has put up 13 experimental agricultural high schools.

School dispersal. The Government is expanding and improving the State college and university system and setting up schools in the regions. It has already built three agricultural colleges into regional colleges, in Central Luzon, the Visayas and Mindanao. The colleges are equipped with radio stations, barrio-development schools and social laboratories for their rural-education program.

The Government is encouraging the colleges to democratize education by making university education more accessible to students from poor families. It has also launched grants-in-aid and student loans programs, in addition to State scholarships.

Special educational programs. A number of schools offer special programs in some special subjects. The Development Academy of the Philippines was organized by the Government to support its efforts at development.

The Academy, the only school of its kind in Southeast Asia, has no fixed curriculum. It designs courses and training programs to sharpen the skills of participants to tackle problems that confront them in their actual work. The Asian Institute of Management adapts its management program to Asian conditions through case-study methods.

The National Science Development Board allots about 50 percent of its funds for scholarships to students interested in careers in science. A vital area of education and research on agriculture is the University of the Philippines College of Agriculture in Los Baños, Laguna. The College offers Ph.D. programs in 11 areas, including Agricultural Education, Agro-

nomy and Animal Husbandry. Near the College is the International Rice Research Institute (IRRI), founded by the Rockefeller and Ford Foundations and USAID in 1960. The IRRI conducts short-term, in-service training programs for farmers and rice technologists all over Southeast Asia. Another organization engaged in agricultural research is the Southeast Asian Regional Center for Grade Study and Research in Agriculture, which houses a genotype bank for agricultural research, and an information bank.

Nonformal education. The most significant reform introduced by the Ministry of Education is its program for nonformal education, drawn up in 1977. The program touches the rural and urban poor who cannot afford school but whose lives can be much improved if given the chance to continue their education. The program is open to out-of-school youths and adults, agricultural and industrial workers, as well as the unemployed and underemployed who had dropped out of school before completing elementary education.

The program has reached nearly one million participants in over 226 types of training courses. It does away with traditional teaching methods, its most popular teaching aid being radio. "School-on-the-air" programs relay information on national affairs, offer advice on farming, home management, community development, family planning and other related health matters. These programs are broadcast through 121 stations in the country.



Vocational skills for out-of-school youths.

The economy

THE WORLD BANK describes the Philippine economy as one of the most impressive in the developing world, one "achieved in an external environment which can best be described as difficult."

Here are some facts:

- Philippine economic planners have managed to push the growth rate from five percent between 1965 and 1972 to over six percent from 1973 to 1980.
- Foreign investments grew annually by \$152 million, or 38 percent, reaching \$1,453.12 million at the end of 1980.
- The labor force, now numbering 18.4 million, has benefited from this growth in the form of higher wages. The daily minimum wage has been increased from P4.75 in 1972 to P23.00-P24.70 in 1980.
- Philippine export receipts reached \$5.9 billion in 1980; they were \$3.8 billion in 1979. This increase is due to the growth of nontraditional exports like manufactured goods, services and utilities and to the expansion of the trade markets.
- The Union of Soviet Socialist Republics is the Philippines' fastest-growing trade partner. Exports to the USSR went up in five years, from \$1 million to \$130 million. In 1979 the USSR was the biggest market for Philippine coconut products. FILSOV, a Soviet Shipping representative office in Manila, reports that trade with the Philippines has increased tremendously over the last few years. Poland maintains company-to-company links with the Philippines. Philippine exports to the People's Republic of China also grew, from \$1 million to \$108 million in five years.
- The 42-percent inflation rate of 1974 was reduced to 7 percent in 1975.

Economic management. Financial management has been institutionalized and functions clearly defined among specialized Government agencies. The National Economic and Development Authority charts the general course of the economy, setting short- and long-term growth targets. The Ministry of Finance and the Central Bank of the Philippines, together with the Ministry of the Budget, regulate the flow of money within the system. The Ministry of Industry looks after the nation's

industrial needs, and the Ministry of Trade sees to the marketing of local products at home and abroad.

The Philippine Government has responded to inflation and recession with both monetary and fiscal measures, anticipating possible unfavorable results in the country's balance of payments and in overall productivity. Policies to ease credit in the rural areas and thus expand agricultural production and the regulation of both banking and nonbanking institutions are examples of these measures.

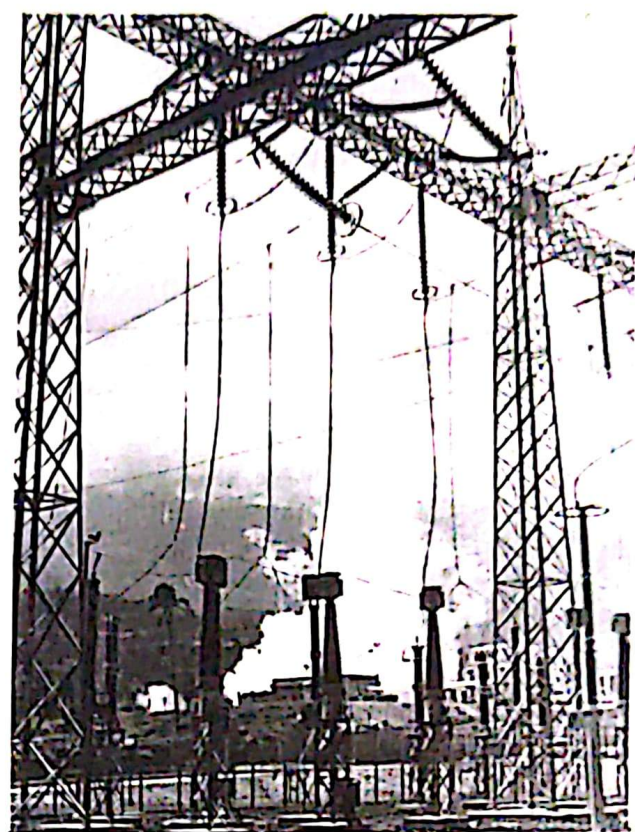
To counteract recessionary tendencies in the economy, the Philippine Government eases tight credit through continuous allocation of credit lines to the banking system with specific low-interest rates extended to the rural banks. The banking system has been the major source of credit for financing priority activities.

Foreign investments. The continued growth of foreign investments reflects the international community's confidence in the Philippines' economic conditions. Here are a few of these projects:

- In February 1981 the Philippines signed an agreement with another developing country, Nauru, to finance the setting up of a \$100-



Signing of agreement with Nauru.



Geothermal plant in Luzon.

million. These include an integrated steel complex, a petrochemical complex, a copper smelter, a diesel-engine-manufacturing plant, pulp and paper expansion, cement industry expansion, rationalization of the coconut industry, and development of nonconventional sources of energy.

Public works. Between 1972 and 1977 the Government invested over P19 billion in infrastructure, or roughly 22 percent of total public expenditures. The outlay for the period 1978-82 is a record P86 billion. The New Society built a total of 65,972 kilometers of highways from 1969 to 1980, compared with the 84,722 kilometers built between 1900 and 1965. More than 70,000 linear meters of bridges were constructed in the same period.

For the first time one can travel overland from Luzon to Mindanao via the 2,076-kilometer *Daang Maharlika*, (formerly the Pan-Philippine Highway). The highway passes through 27 provinces and 14 cities, linking the whole country into one compact unit.

The story of infrastructure development is not just one of roads and bridges but of massive irrigation systems, dams, electrification, interisland links and farm systems. The bulk of spending for infrastructure goes to irrigation systems, dams, farms, telecommunications and electrification. An accelerated irri-

gation program has produced irrigation systems for more than 1.3 million hectares of farmland as of 1980—more than double all the systems built from 1900 to 1972.

Energy. Energy development remains a priority concern, with the Presidential directive to speed up the development of indigenous energy sources from ten to five years. Its primary goal is to reduce the share of imported oil in the country's energy-mix from the current 82 percent to 51 percent by 1985.

By 1985 the Philippines expects to be the world leader in geothermal-power production. From the current production of 446 megawatts from 11 power units in Albay, Laguna, Leyte and Southern Negros, the five-year goal is to raise the electricity generation capacity to 1,726 megawatts.

Coal deposits in Cebu, Zamboanga, Surigao, Semirara Island, Bataan, Mindoro and Cagayan Valley will be mined to fill the fuel requirements of 17 cement plants and several power plants. From a half percent in 1973, coal is expected to contribute 14 percent of the energy mix, the largest from domestic-energy resources by 1985.

To the current Nido Oil Reef Complex production of about 4,000 barrels a day, two new oil fields will add about 20,000 barrels a day—9,000 barrels a day from the Cadlao field starting June and the Matinloc-Pandan field with 11,000 barrels a day early next year. With more exploratory wells being drilled, the Philippines expects to add more discoveries to the present record of 11 oil and gas strikes since 1976.

The biggest hydroelectric power dam in Southeast Asia is being put up in Magat, Isabela, while the country's first nuclear (620 megawatts) power plant in Morong, Bataan, is expected to be operational by 1985. Among nonconventional-energy sources, power alcohol is targeted to displace 379.3 million liters of premium and regular gasoline by 1985. Marsh-gas installations, biogas digesters, windmills, solar water heaters and driers are being promoted vigorously in rural areas, particularly those that are not easily accessible to the centralized power grids.

More recent developments are the conversion of coconut oil into diesel fuel and the propagation of exotic plants whose juice or sap burns like kerosene or diesel. These "petroleum trees" like the *hanga* in Ifugao Province and the *euphorbia* genus of shrubs will be grown in energy plantations.

million phosphatic-fertilizer plant in Isabel, Leyte. Nauru committed \$40 million to the project, the biggest single investment made by any country in a Philippine project. The fertilizer plant will use by-products of the proposed copper smelter and draw its power from geothermal plants under development in Tongonan, Leyte.

□ The Marubeni Group of Japan will soon build a \$250-million copper smelter.

□ Integrated Steel of the United States and Kawasaki of Japan are negotiating to finance a steel mill.

□ An aluminum smelter is also under negotiation with Reynolds Aluminum Corporation of the United States.

□ USI Far East Ltd. and Hercules Inc. will put up 100 percent of the capital for a downstream petrochemical plant.

□ MAN of the German Federal Republic and Isuzu of Japan were given 24 months starting January 1980 to put a diesel-engine-manufacturing project onstream.

□ Other major projects with Government participation are a 300-ton shipyard in Subic and an iron-sintering plant in Cagayan de Oro City which is a model for technology and resource

transfer. The Philippine Sinter Corporation plant sinters for re-export iron from Brazil and Australia with the aid of Japanese technology.

□ General Motors will set up an entire assembly plant in the Philippines.

□ Mercedes-Benz will put up its own engine-manufacturing plant in the country.

□ Texas Instruments (electronics) recently inaugurated its large operations in the new Export-Processing Zone in Baguio.

□ Timex (watches and electronics) is on the verge of another expansion in the Mactan Island export zone.

Industrialization. The new policy of the Government is to give "priority to those industrial projects which will process indigenous raw materials, produce intermediate goods, and enhance the country's technological capabilities, thus directing industry toward the second stage of import substitution."

The industrial plan consists of 18 large-scale projects to be developed as growth poles. The projects are expected to generate a whole line of downstream industries, services and support enterprises.

Of these growth-pole projects, 11 are being started with a total investment of P6,000



Ricoh (above), Timex and Texas Instruments are some of the multinationals operating in the country.

Foreign policy



President Marcos played a catalytic role in the formation and development of ASEAN.

SINCE 1972 a realignment of goals and priorities has moved Philippine diplomacy away from the largely pro-Western course it had followed through most of the years after the restoration of independence in 1946. A deepening sense of identification with the Third World and conciliation with the Communist countries have been accompanied by a reassessment of "special relations" with the United States.

The new diplomacy seeks basically to diversify the country's political and economic friendships in the world, while transforming the outmoded relationship with the United States into a more realistic partnership. The most dramatic aspect of this new diplomatic thrust is the exchange of recognition with the Communist countries, which was capped by President Marcos' State visit to the People's Republic of China in June 1975 and to the Union of Soviet Socialist Republics in May 1976.

While continuing to keep down a low-intensity Maoist rebellion at home, the Marcos Government has dismantled the country's old anti-Communist posture to open windows on the Socialist countries. It completed the

recognition of the Eastern European countries (except for Albania) in 1974. Since 1972 the Philippines has opened 15 new embassies in important capitals ranging from Jidda to Nairobi, Peking, Tripoli, Moscow and Hanoi. It now is represented in 72 countries. Fifty-six countries had diplomats accredited to Manila in 1979.

President Marcos regards ASEAN, the Association of Southeast Asian Nations, as a cornerstone of Philippine foreign policy. Originally meant to be a modest vehicle for economic, social and cultural cooperation among Indonesia, Malaysia, Thailand, Singapore and the Philippines, ASEAN is assuming more and more responsibilities in its effort to transform the region into a "zone of peace, freedom and neutrality." Already ASEAN has strengthened bilateral relationships between the member states. The Philippines, which on account of historical, geographic and economic factors has the lowest level of trade integration with the region, has shown the greatest enthusiasm in recent years for intra-ASEAN economic cooperation.

"Special relations" with the United States are gradually being changed by Filipino leaders who have lessened their dependence on the American nation. As a result, the Marcos Government has negotiated a favorable revision of the military bases agreement with the US.

Philippine relations with Japan, which has surpassed the United States as the country's number-one trading partner, were finally normalized in late 1973 with Manila's ratification of a Treaty of Amity, Commerce and Navigation, negotiated 13 years before. The terms of the relationship, as well as Japan's role in ASEAN, were further clarified during Prime Minister Zenko Suzuki's State visit to Manila in January 1981. Because of the problems raised by the large volume of bilateral trade, Philippine diplomacy has tried to make the division of labor with Japan more equitable—to enable the Philippines to share more fully in the profits from processing raw materials and to build up its industry by learning from Japanese expertise.

Outside support of the secessionist rebellion in Muslim Mindanao, coinciding with the oil crisis, compelled the Republic to extend its diplomacy to the emergent group of Arab

and Islamic countries. Only the most intense personal diplomacy of President and Mrs. Marcos prevented a large-scale war in western Mindanao and Sulu. In early 1977 they finally reached an agreement with Colonel Muammar al-Qadhafi, the Libyan strongman who openly supported the rebellion, which enabled the Philippines to use constitutional means to meet the secessionists' demands.

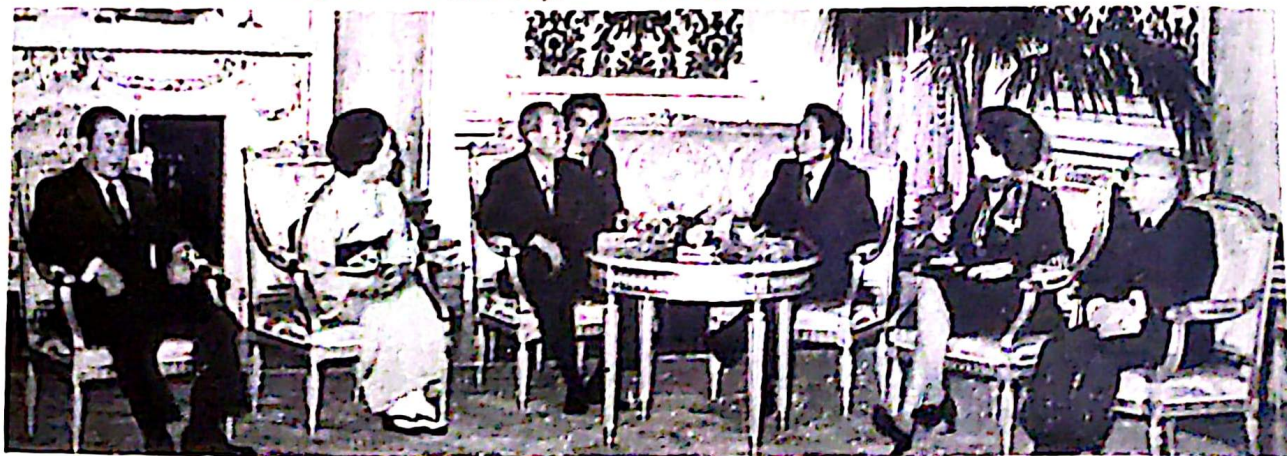
At the United Nations, where there is a growing controversy over the sharing of scarce international resources between the rich and poor countries, the Philippines has chosen to identify itself unequivocally with the Third World. Over the last five years, two major conferences of the United Nations Conference on Trade and Development were held in Manila: the preparatory meeting of the Group of 77 in early 1976 and the month-long sessions of UNCTAD V in 1979. As in previous meetings, the Manila sessions dramatized the poor nations' relatively weak bargaining power. Hence, President Marcos favors measures that would enhance unity among developing nations in their campaign for a new world economic order.



Mrs. Marcos addresses the UN General Assembly.



Marcoses meet Mao Zedong in China, 1975.



President and Mrs. Marcos with Prime Minister Fukuda of Japan, 1977.

Art and culture

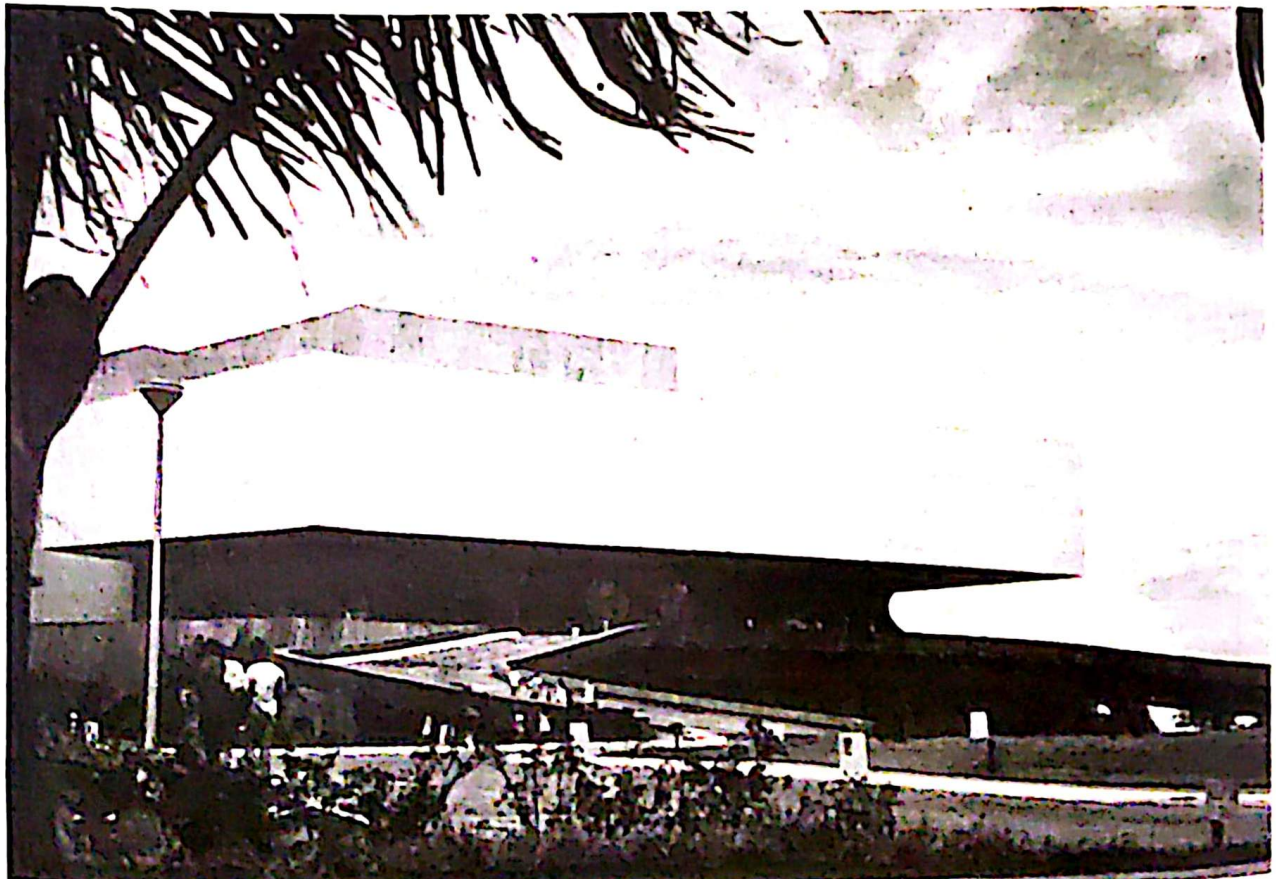
THE MARCOS ADMINISTRATION has always been concerned with the development of the arts. President and Mrs. Marcos made the first serious Government efforts to promote a sound program for stimulating culture and the arts. The result has been a cultural renaissance, a re-awakening of popular interest in founding and keeping up a distinct Filipino identity in arts and letters.

Thus, ethnic music and dances are being studied and preserved; historic houses and churches restored; dozens of public and private art galleries opened; paintings and sculptures—both ancient and modern—becoming more valuable collectors' items; and numerous Filipiniana books being written in an attempt to fill a void which nationalism and nostalgia have drawn attention to.

The first and most visible symbol of cultural activity under the Marcos Administration is the Cultural Center of the Philippines complex along Manila Bay. The CCP complex consists of a magnificent theater, several museums and an art library, a Folk Arts Thea-

ter, a Design Center, a center for international trade exhibits and an international convention center.

The Cultural Center is home to both Filipino performing artists and host to world talent in music, the dance, opera and the theater. Here the CCP Dance Company, the Bayanihan Philippines troupe and the Filipinescas Dance Company have shared stages with groups like the Bolshoi, the Joffrey and the Australian National Ballet and with individual artists like Margot Fonteyn, Rudolf Nureyev, Martha Graham and Natalia Makarova. The Manila Symphony Orchestra and the resident CCP Philharmonic have given way to foreign orchestras like the Japan Philharmonic; Filipino piano prodigy Cecile Licad to the world-renowned Van Cliburn; and the University of the Philippines' Madrigal Singers to a dozen international groups in world songfests. Western stage plays alternate with Pilipino dramas, *zarzuelas* and operas. All this varied activity has made the CCP—and Manila—a vital center of the performing arts in Southeast Asia.



The Cultural Center of the Philippines: home to the performing arts.

The Government regularly honors outstanding artists with special awards. The highest of these is the National Artist Award. So far, it has been given to 14 Filipinos, for their achievements in painting, sculpture, music, dance, architecture, literature, drama and film.

Numerous museums and art galleries have been set up over the last eight years. On the third floor of the Cultural Center are an art gallery and an art library; on the fourth floor is a museum in two sections—one of artifacts from Philippine archaeological diggings and the other of the arts and crafts of the artistic Maranao people of Western Mindanao.

Two other Government-funded museums focus on the best in Philippine and foreign art. These are the Museum of Philippine Art, which offers current and retrospective exhibitions of the foremost names in Philippine painting, past and present; and the Metropolitan Museum of Manila, which features periodic exhibitions of the works of foreign artists lent by Government and private museums in the United States and Europe.

Another Government-funded museum is the Museum of Philippine Costumes, where life-size figures show the evolution of clothing among lowland and highland Filipinos. And at *Nayong Pilipino* near the Manila International Airport is a Museum for Traditional Cultures,

with its well-displayed and comprehensive collection of tribal costumes and artifacts. These two museums reflect the Government's appreciation for the culture and lifestyles of the Philippines' cultural communities, and its concern that these be known and appreciated by the widest possible number of Filipinos.

The same desire to bring art to the masses of the people motivated a project called *Kulay Anyo ng Lahi*, which displayed the art of the country's painters through huge public murals. This project drew the participation of the youth, through the *Kabataang Barangay Superkulayeros*, led by Imee Marcos. Local theater plays—no longer confined to the formal stage—are presented in less unconventional settings: the ruins of Fort Santiago, public parks, town plazas and streets. Classical and contemporary music, both native and foreign, have become familiar through a weekly "Concert at the Park" at the open-air auditorium of Rizal Park.

Young musicians have found the New Society leadership sympathetic to their special needs. The Young Artists Foundation, set up by Mrs. Marcos in 1974, has provided more than a dozen talented young musicians' scholarships for study in the United States, Western Europe and the Soviet Union. The National Arts Center, on the slopes of scenic Mount Makiling in Laguna, gives young artists an ideal milieu to develop their creative talents during their high-school years.

Builders, too, have begun to work toward achieving a distinctly Filipino architecture. They have been encouraged in this effort not only by the resurgence of pride in things Filipino, but also by specific commissions from the Government. Of these commissions, the most important as a whole are the mass-housing programs being undertaken by the Ministry of Human Settlements under its *Bagong Lipunan* Improvement of Sites and Services (BLISS) program. BLISS housing communities, like the *Bahay Pilipino* architectural competitions, are meant to promote the use of indigenous styles, materials and building techniques while adjusting these to present-day needs.

Less immediately important but more impressive for the future are Government-sponsored renovations and restorations of historic houses and buildings. Examples are the Las Piñas Church in Parañaque; the ancestral home of Juan Luna in Badoc, Ilocos Norte; the Manila Hotel; the Metropolitan Theater in Liwasang Bonifacio; and the Intramuros restoration project.



Music scholars of the National Arts Center.

Development of the Southern Philippines

ON MARCH 25, 1977, President Marcos issued Proclamation 1618 creating two autonomous Muslim regions, consisting of 13 provinces in Mindanao and Sulu. The concept of regional autonomy was ratified through a referendum-plebiscite held there a month later.

Legislative authority in Regions 9 and 12 is now vested in the *Sangguniang Pampook*, or Regional Assembly. Executive powers are exercised by the *Lupong Tagapagpaganap ng Pook*, or Executive Council. In addition, the Regional Development Council makes all the plans for development, based on the actual needs and desires of the largely Muslim population of the two regions.

The development plan for Mindanao considers as a whole the social and economic problems of the region. The Southern Philippines Development Administration (SPDA) carries out the Government's development program for Mindanao. Mrs. Imelda R. Marcos has been chairman of the SPDA board since February 13, 1980, and chairman of the Presidential Committee for the Rehabilitation and Development of the Southern Philippines since June 3, 1980. Funds for development are generated from profit-oriented corporate ventures that directly and indirectly benefit the population through job opportunities and taxes for local governments.

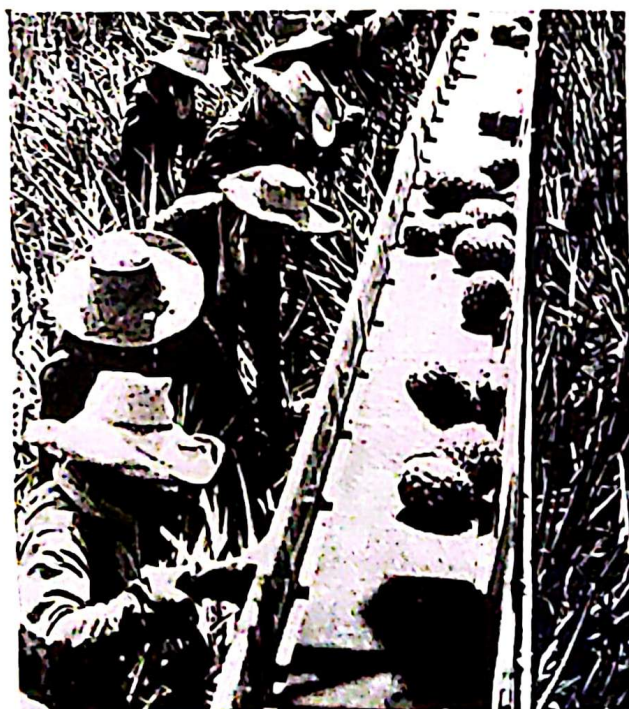
Rich resources. The basis for Southern Philippines development lies in the region's rich agricultural resources. More than half of its land area is forested. Three-fifths of all Philippine timber comes from Mindanao; logs account for 80 percent of the country's wood exports. Agriculture shapes Mindanao's development. The region holds the country's largest agro-industrial enterprises. Wood-processing industries produce lumber, plywood, veneer; coconut-based industries yield coconut oil, desiccated coconut and other derivatives.

Important industrial ventures in Mindanao include the National Steel Corporation; the B.F. Goodrich rubber plantation and processing plant in Basilan; the Marinduque Mining and Industrial nickel mines in Surigao del Norte; Dole pineapple plantation and processing plant in South Cotabato; the Philippine

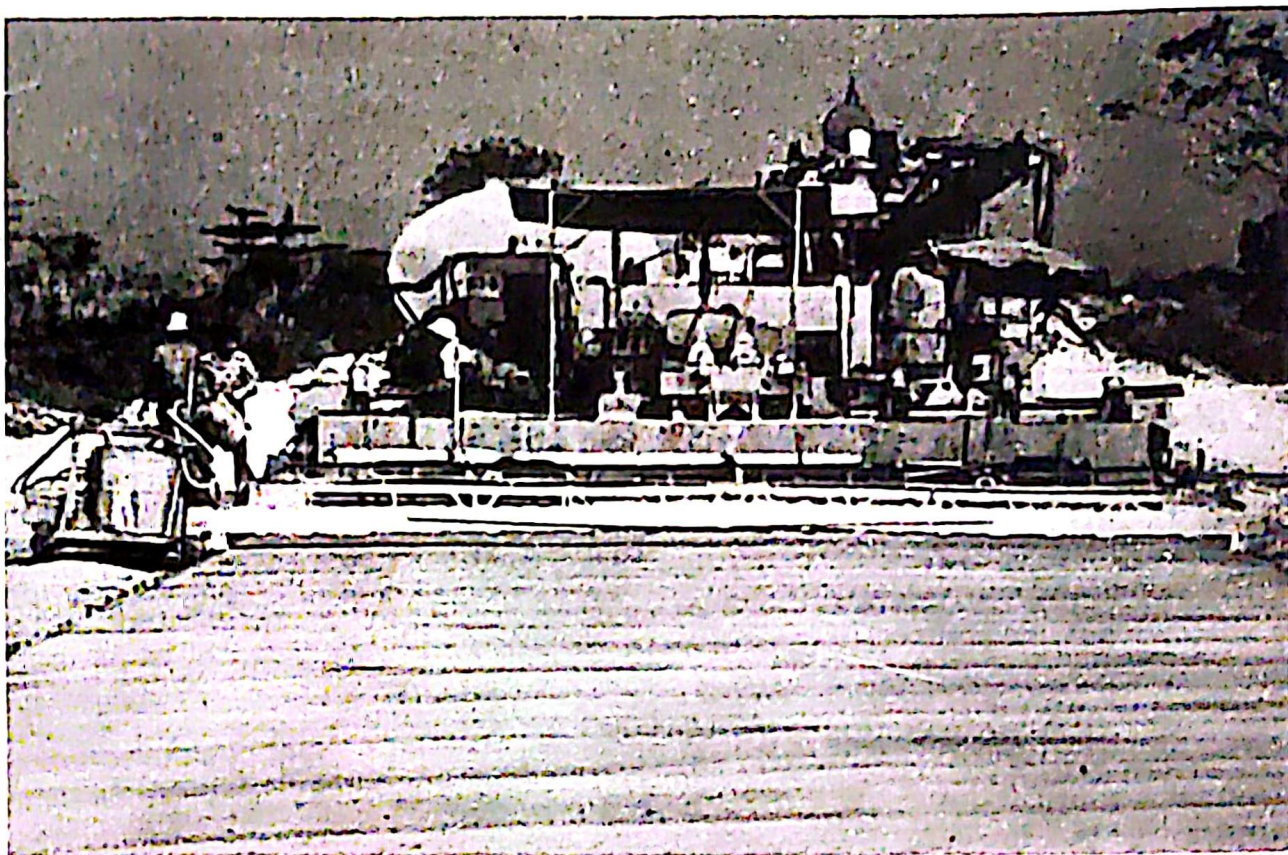
Packing Corporation's pineapple plantation and factory in Bukidnon and Cagayan de Oro; the Paper Industries Corporation of the Philippines' pulp and paper plant in Surigao del Sur; Iligan Cement and Mindanao Portland Cement in Iligan City; Pacific Cement in Surigao del Norte; Bacnotan Consolidated in Davao City; Marcelo Fertilizer Corporation in Iligan; and Philippine Sinter Corporation in Cagayan de Oro City.

Regional development. The Philippine Government has been making large investments in overhead facilities for Mindanao as the foundation of regional growth. Mindanao has a total road network of some 18,270 kilometers—around 20 percent of total Philippine highway kilometrage. Completion of *Daang Maharlika*, the north-south highway, has opened up vast tracts of Mindanao. In the island the road spans the Agusan Valley to reach Davao City. From here it winds up to the tip of Northern Mindanao, where a modern ferry-boat system links it to Southern Visayas and the rest of Luzon.

The development of Lake Lanao and the Cotabato-Agusan River Basin into a complete system of dams, for irrigation and power-generation, has also begun. It will turn Agusan



Pineapple plantation in South Cotabato.



Daang Maharlika, the highway that has opened up vast tracts of Mindanao.

and Cotabato into major rice producers.

A long-term program for assuring Mindanao an adequate supply of hydroelectric power complements the agricultural, industrial and public-works programs. One major power system already is operational. This is the Agus grid, the backbone of the National Power Corporation's network for Mindanao. It draws its energy source from the Lake Lanao-Agus River complex. Of its 750-megawatt potential, some 150 megawatts have been harnessed, at Maria Cristina Falls alone. At the end of 1979 the National Power Corporation had an installed capacity of 396 megawatts supplying the Mindanao grid.

A second major system is the rural electrification cooperative program. Each cooperative is to serve from five to ten towns, or a population of 100,000 to 200,000. To date, 20 electric cooperatives have been organized by the National Electrification Administration.

The country's power-development program for 1981-85 will require an estimated \$6,000 million; 20 percent of this will go to Mindanao's power system.

The SPDA is pursuing two major goals: 1) initiation and undertaking of corporate projects in agriculture, power, infrastructure, energy, public utilities, land development,



Maria Cristina Falls: an energy source.

manufacturing and the exploration and use of natural resources; and 2) investment of funds in projects and ventures that would enhance the economic development of the region.

SPDA experts have drawn up a conceptual plan which aims initially to make the region a food-production base through small- and medium-scale industries.

Muslim welfare. The Government is firming up Mindanao's economy while promoting the welfare of Muslim communities. Until the Administration's policy of restoring to Muslim Filipinos their rights to ancestral lands is duly implemented, those still displaced by this centuries-old issue are being resettled in newly built communities. Two of these have become models for the region.

At the human settlement set up by SPDA near Cotabato City things are taking shape. Located on a vast gently rolling land, the scenic community is fast turning into an agricultural estate. Only 32 of its 370 hectares have been allocated for housing. Here stand 200 semi-concrete homes for middle- and low-income families. When fully developed, it will contain 900 homes.

The remaining 338 hectares are reserved for agricultural projects to augment the income

of residents and eventually make the community self-earning. Coffee, coconut and rubber trees are being grown in the interiors, and ducks raised along the riverbanks.

Sahaya is another housing project. Shared by three Islamized tribes of Zamboanga City—the Tausug, Samal and Badjao—the quaint community has become a tourist attraction. It is made up of 371 houses on stilts—the style preferred by its seafaring villagers—perched on the mouth of the calm Basilan Strait. Wooden catwalks, which connect the houses to each other, lead to a central mosque where villagers pray six times a day.

As in other settlements, the Government helps Sahaya villagers find jobs or start small-scale businesses. Most villagers cash in on Zamboanga's thriving tourist trade by selling handicrafts they themselves make at the city's tax-free barter-trade market. Fishermen earn money on the side by renting out boats for water tours.

Resettlement of former rebels. The resettlement of former rebels also concerns SPDA. It has spent P10 million for six BLISS projects to house them and has made available P5 million in loans to provide them with capital for small industries.



President Marcos accepts the arms of returning Muslim rebels.



Madrasah, or Koranic school, preserves the Muslim faith and culture.

Project *Katahimikan* (Peace) in North Cotabato and Maguindanao Provinces is one interesting arm of SPDA's resettlement program. The project is run by Amilil Milagiouk, popularly known as Commander Ronnie, former chairman of the Cotabato Revolutionary Committee. Last year Commander Ronnie led back to the Government fold 146 field commanders and resettled 3,636 families.

SPDA is backed by other Government agencies in this task. The Ministry of Social Services and Development helped 129,126 Muslims, including former rebels and displaced persons. The Philippine Amanah Bank, initially capitalized at P100 million, has provided financial help to thousands of such rebels. Some 24.5 million pesos in foreshore and marine fishing as well as other agricultural loans extended by rural banks has improved the livelihood of over 7,600 former rebels.

Education and health. In education, Mindanao registered a marked rise in literacy level. This was largely due to the building of more schools in the region, especially *madrasahs*, or Koranic schools, and the teaching of Arabic at all academic levels.

The region's student population has grown too. Enrollment increased by 14.78 percent for elementary schools; 77.88 percent for high schools; and 56.4 percent for colleges and universities.

Over 100,000 out-of-school youths re-

ceived nonformal education in 1980, and a total of 11,265 former rebels, draftees and unemployed have availed themselves of the National Manpower and Youth Council's vocational and skill-training programs since 1975.

To improve medical facilities in Mindanao, the Philippine Medical Care Commission has built twenty-two 15-bed hospitals in poor communities. In areas that cannot be reached by traditional medical facilities, health care is delivered by *Tulungan* mobile hospitals.

The Ministry of Health trains barrio midwives and paramedics who help roving doctors and nurses bring health care to communities that could not use medical services.

Preservation of Islam. Besides seeing to the economic and social needs of Muslim Filipinos, the Government guards the preservation of Islam as a national heritage. This policy adheres to the mandate of the people, under the 1973 Constitution which provides that "No law shall be made respecting an establishment of religion, or prohibiting the free exercise thereof. The free exercise and enjoyment of religious profession and worship, without discrimination or preference, shall forever be allowed."

The Government's sincerity is expressed in many measures passed in recent years to uphold Islam:

1 Recognition of Muslim holidays. These have been declared Philippine legal holidays by vir-

tue of two Presidential decrees. These holidays are: Eid-ul Fitri (Hariraya Puasa), Eid-ul Adha (Hariraya Haj), Maulidin Nabi (Birthday of the Prophet Muhamamad), Lailatul Ishra Wal Miraj (Ascension), Muhurram (Ashura) and Among Jadid (New Year).

2 Fasting during Ramadan. During this fasting month, Filipino Muslim employees in the Government and private offices are allowed to observe an earlier and shorter working schedule, without diminution of salary or wages.

3 Codification of Muslim personal laws. To allay the Muslim Filipino's feeling of alienation from the country's cultural mainstream, the President issued a decree providing for the formal codification of Muslim personal laws based on *adat* (customary) and *shariah* (religious) laws.

4 Integrating *madrassahs* (Koranic schools) into the Philippine educational system. The Koran and Arabic are now taught in some

schools within the regional autonomous governments of Western and Central Mindanao.

5 Annual national Koran reading contest. This event aims to create cultural awareness and appreciation of Islam.

6 Pilgrimage to Mecca. Every year Muslims get together for the *hajj*, or pilgrimage, to the Holy City of Mecca. In the Philippines the Government has created the Philippine Pilgrimage Authority to coordinate and ease the travel requirements of Filipino pilgrims. The Government also sponsors the travel of employees in both the Government and private sectors.

7 Construction of mosques. The Government has built a number of mosques for Muslim Filipinos, including those living outside Mindanao. Among these are the Golden Mosque in Quiapo, Manila, and the Maharlika Mosque in Tagig, a town of Metro Manila.

